

AGENDA



Thursday, August 5, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 16

Subject: Authorize award, negotiation, and execution of a contract with BAKER & HUGHES PIPELINE MANAGEMENT GROUP, Houston, TX, for cleaning and inspection services for the Lindell Lane to Decker Creek Power Station gas supply pipeline in an amount not to exceed \$203,716.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Dolores Castillo, Senior Buyer/322-6466

Purchasing Language: Best evaluated proposal of two proposals received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Electric Utility Commission.

This contract is to provide cleaning and inspection services for a three-mile gas supply pipeline from Lindell Lane to the Decker Creek Power Station gas yard. The project includes excavation of the buried 20-inch gas pipeline and installation of piping needed to raise the pipeline above ground for cleaning and inspection.

This service is necessary to examine the integrity of the pipeline and remove any deposits that may be trapped to prevent them from migrating and causing damage to power plant equipment. This project will provide Austin Energy with a baseline of the pipeline condition and recommendations for future cleaning and inspection methods including early warning of possible pipeline failure.

An Austin Energy team with Pipeline Inspection Gauge cleaning and inspection and power plant project management expertise evaluated the proposals based on the following criteria: System Concept and Proposed Solution, Demonstrated Applicable Experience, Equipment Availability, Personnel Qualifications, and Total Cost.

The evaluation team recommended Baker & Hughes Pipeline Management Group as the best overall proposer. Baker & Hughes has been in business for over 100 years and is an industry leader in pipe cleaning and in the development of cleaning and inspection procedures.

MBE/WBE solicited: 0/3 MBE/WBE bid: 0/0

PRICE ANALYSIS

a. Adequate competition.

b. Sixty-two notices were sent, including three WBEs. There are no known MBEs available for this service. Two proposals were received, with no response from the WBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.